

July 18, 1949

GENERAL

Since this procedure deals almost entirely with the preparation and completion of inspection reports and loss claims, the adjuster should familiarize himself thoroughly with the general provisions of the program as well as his responsibilities and those of the State Director, district supervisor and the county committee in order that he may ably represent the Corporation in his field contacts. Instructions relative to Form FCI-8-Revised, "Notice to Corporation of Damage or Probable Loss," are contained in General Procedure 8.

Where a statement of facts is required, Form FCI-6 should be used to record the necessary information. Detailed procedure for preparation of Form 6 is included in General Procedure 8.

SECTION I. INSPECTIONS, AND PREPARATION OF THE
INSPECTION REPORT

A. Inspections

1. It is essential that the adjuster clearly understands what constitutes an insurance unit, because losses are adjusted on an insurance unit basis. An insurance unit is all insurable acreage of one type of tobacco which is considered for crop insurance purposes to be located in the county, in which one person has the entire interest at the time of planting, or in which two or more persons have the entire interest at the time of planting. All acreage of one type of tobacco in which the insured has 100 percent interest is one unit. All acreage of one type of tobacco in which the insured shares with the same person or persons is one unit. "Unclassified" land shall not be considered an insurance unit or any part thereof. An insurance unit shall not include any acreage planted to tobacco which is destroyed or substantially destroyed which can be replanted before it is too late to replant tobacco as determined by the Corporation and such acreage is not replanted to tobacco.
2. The adjuster shall prepare Form FCI-963-T, "Inspection Report" (herein called Form 963) for each insurance unit at the time of each inspection of the unit. Where parts of an insurance unit are located in two or more areas or where a transfer of interest has been approved involving a part of the acreage or a part of the insured's share in the crop on the unit, a separate Form 963 shall be prepared for each such part of the unit.
3. When Form 8 does not include a request for a release of acreage and the person authorized to take such action determines that an inspection is not necessary, the insured shall be advised in writing immediately that:
 - a. The notice was received and an inspection is not deemed necessary at that time and the reason for such decision;

- b. Any later material damage to the tobacco crop should be reported to the county committee.
 - c. If, upon completion of harvest and sale of the crop it is believed that he is eligible for an indemnity, the insured should submit another notice to the county committee within 15 days.
 - d. This notice to the insured shall be prepared in triplicate and shall include the name and address of the insured, the contract number, the insurance unit number, and the farm identification. The original shall be mailed to the insured, a copy forwarded to the State Director, and a copy filed in the insured's folder.
4. The adjuster shall visit the county office and familiarize himself with all material in the insured's folder, including inspection reports previously prepared and current correspondence, and shall obtain records and other data which will be helpful to him in recording the inspection.
 5. If the adjuster finds that an acreage report has not been submitted by the insured he shall obtain it and forward it to the county office.
 6. If an acreage report has been submitted previously by the insured and no part of the insurance unit on which loss is claimed is listed on the acreage report, the adjuster shall prepare and sign a detailed statement of facts, on Form FCI-6, which shall include (a) all necessary information to establish the amount of loss on the unit and (b) full information concerning any other insurance unit for which data are not listed on the acreage report. The original and one copy of this statement shall be forwarded to the Director and the other copy shall be filed in the insured's folder. The adjuster shall not recommend approval of a loss claim in cases of this kind until authorized to do so by the State Director.
 7. The adjuster must be thoroughly familiar with the provisions of General Procedure 8 relative to transfers of interest in insured crops and the requirements of the Corporation for approval of a transfer of interest. Where he finds that there has been a transfer of interest in an insured crop before the beginning of harvest or the time of loss, whichever occurs first, and a Form FCI-21-Revised has not been filed, he shall notify the interested parties that they should consult the county office immediately for execution of this form. In such cases the adjuster shall prepare a statement of facts on Form FCI-6, showing all data required on Form FCI-21-Revised. In such cases, two copies of Form FCI-6 shall be forwarded to the State Director and one copy shall be filed in the insured's folder.

B. Preparation of Form 963

1. Heading

All items are self-explanatory, and shall be completed in every case.

2. Part I. Fields or Tracts Containing Damaged Acreage

Data for each field on the insurance unit which contains damaged acreage shall be entered in Part I. Data for all fields on the insurance unit

may be entered in Part I for pre-harvest inspections at the discretion of the State Director but complete data for all fields on the insurance unit must be entered in Part I when a loss is adjusted. Where there is not sufficient space in Part I to record the necessary data, additional Forms 963 shall be prepared and properly identified as "Continuation Sheet--Page _____ of _____ pages".

Column A: In the case of inspections before harvest, enter the description, location or other identification of each field in the insurance unit which contains damaged tobacco. On the Form 963 which is prepared when a loss is adjusted, enter the identification for all fields of tobacco in the insurance unit. (In Graves County, Kentucky and Appomattox County, Virginia, insert in the statement above the columnar headings of Form FCI-919-T, the applicable of Type "21" or "23".)

Column B: Enter the measured or estimated acreage of tobacco in each field identified in column A. Acreages entered when a loss is adjusted must be measured acreages. All entries shall be carried to hundredths of acres.

Column C: Enter the measured acreage of unharvested tobacco which is released in each field. (If no acreage is released enter a zero.) Where the acreage released is only a part of the acreage in a field, the location of the released acreage in the field shall be sketched in the space provided in Part III of Form 963.

The adjuster shall not release any acreage until he determines that:

- a. The tobacco has been destroyed or substantially destroyed; tobacco is considered substantially destroyed only when it is so badly damaged that farmers generally in the area would not care for, or harvest tobacco similarly damaged, and
- b. It is too late to replant land in the area to tobacco. If farmers in the area are still planting or replanting tobacco it is not too late to replant and, if it is practicable for the insured to replant tobacco on destroyed acreage, he should be notified that unless the acreage is replanted to tobacco it will not be considered insured acreage. He shall be advised further that if this acreage is not replanted to tobacco no premium will be due and no loss will be payable on such acreage. In such cases if the insured has already filed his acreage report and this acreage is not replanted to tobacco, the adjuster shall obtain a "revised" acreage report.

Column D: (This column is applicably only to types 11, 12, 13, 14, 21, 22, 23, 31, and 35 tobacco.) For tobacco of any of these types the 65 percent limitation of coverage does not apply to released acreage which is destroyed or substantially destroyed after the beginning of harvest on the insurance unit. ("Harvest" means any severance of the tobacco plant from the land, except that with respect to types 11, 12, 13, and 14, "harvest" means the first priming.) If the adjuster is unable to establish on the basis of visible evidence available at the time of inspection that the acreage was destroyed or substantially

destroyed after the beginning of harvest on the insurance unit, the acreage shall be considered to have been destroyed or substantially destroyed before the beginning of harvest on the insurance unit and no entry shall be made in column D for that acreage.

Column E: Enter the insured causes of damage to the tobacco in each field of damaged tobacco and the percent of damage due to each cause.

Where the adjuster determines that any of the damage is due to causes not insured against, the extent of such damage and any pertinent facts shall be entered in Part III. Any uninsured cause of damage and the necessary appraisal per acre shall be discussed with the insured while the evidence is still visible.

The adjuster shall notify the insured that on any acreage where the tobacco has been damaged but not sufficiently to warrant release by the Corporation, proper measures must be taken to protect it from further damage and to care for and harvest it. The adjuster shall notify the insured further that if unharvested acreage of insured tobacco is put to another use without the consent of the Corporation, that acreage will be subject to an appraisal of production at least equal to the amount of insurance coverage for such acreage.

Column F: Enter the date of damage to the tobacco in each field in which damage occurred.

3. Part II. Determination of Production and Value Thereof

Where any production is harvested from the insurance unit, Part II of Form 963 shall be completed before the related statement in proof of loss is prepared. The production to be accounted for in Part II shall include the shares of all persons in the tobacco produced on the insurance unit. Routine completion of this Part shall not be considered adequate to determine the quantity of tobacco produced. The reasonableness of the quantity as related to the acreage involved shall be considered, and a comparison of the current yield produced on other comparable farms in the area should be made. The stalks and other evidences of the quantity of production should be examined. Other inquiry or search should be made if the reported yield is materially less than the yield of other comparable farms in the area, or is materially less than the production on the insurance unit appears to have been on the basis of available evidence.

Any harvested tobacco which is destroyed by any cause (such as fire) after it has been removed from the field or has been housed, shall be considered as production and shall be included in Item 9 of Form 963.

In order to be sure that all production is accounted for, the adjuster must examine production records, sales records, and any other available records.

In connection with the determination of both the quantity and the value of the tobacco which is sold anywhere except on the auction warehouse

floor a record of each lot of this tobacco shall be entered in Part III, or on the reverse side of the original of Form 963. This record shall include for each such lot of tobacco (1) the sales ticket number, (2) the weight, (3) the cash returns, and (4) the name and address of the buyer.

Where practicable, the adjuster may obtain a statement from the buyers to whom the tobacco is sold showing the information required by the above paragraph. Any such statement should be dated and signed by the buyer or by his representative and shall be attached to the original of Form 963.

Where the insured has different shares in parts of the acreage on the insurance unit, the adjuster shall make certain that production is reported separately for each acreage in which the insured has a different share and that the production reported for each acreage appears to be reasonable. No insurance will attach to any acreage initially planted to tobacco too late to expect to produce a normal crop. In cases involving any of such acreage if the insured has failed to keep separate acceptable records of production for the uninsured acreage or has failed to keep such production separate from the production on the insured acreage the production for the insurance unit shall include any production from such uninsured acreage which is commingled with production from insured acreage. If separate acceptable records have been kept or if the production has been kept separate the total production for the insurance unit shall not include any production from such uninsured acreage.

Item 7: Columns A and B: Enter in column A the total number of pounds of tobacco harvested from the insurance unit and sold on the warehouse floor. Enter in column B the cash returns from the sale of such tobacco, which shall include any marketing quota penalty withheld upon the sale thereof. (The cash returns shall be determined by subtracting the customary warehouse charges, such as weighing fee, storage fee, commissions, and handling charges, from the gross sales price of the tobacco.)

Column C: If due to an uninsured cause there is a deterioration in the quality of any of the tobacco sold on the warehouse floor, the adjuster shall determine the cash value of the loss due to such uninsured cause. The amount so determined shall be added to the entry in column B and the result entered in column C. In addition, the reason for the adjustment shall be shown in Part III. Where no such adjustment is necessary, the entry in column B shall be entered in column C.

In cases where the tobacco produced on the insurance unit is divided on the crop share basis among the producers, the entry for column C will be that determined for the number of pounds of tobacco shown in column A on the basis of the value of this tobacco at the time the insured sold his share or at the end of the insurance period if the tobacco has not been sold, considering the cash returns from each different grade and quality of this tobacco. Any such figure shall be adjusted, where applicable, in accordance with the above paragraph, and the reason for the adjustment and the extent thereof shall be shown in Part III.

Item 8: To the left of column A and in columns A and B: Enter to the left of column A the name and address of the person(s), if any, to whom any tobacco harvested from the insurance unit was sold other than on the warehouse floor. Enter in column A the number of pounds of tobacco sold to such person(s) and in column B the amount received from the sale of such tobacco to each such person.

Column C: The entry for column C shall be determined in accordance with the applicable of the following:

- a. Where the tobacco is sold to an established tobacco company, the entry for column C shall be determined in accordance with instructions for item 7, column C, above.
- b. Where the tobacco is not sold to an established tobacco company, the entry for column C shall be the sum of:
 - (1) The fair market value of any such tobacco which is not available for inspection by the adjuster (which shall be the larger of (1) the amount actually received therefor, or (2) the product of the number of pounds not available for inspection and the market price established by the Corporation for that type of tobacco); and
 - (2) The fair market value of any such tobacco which is available for inspection by the adjuster, which shall be the larger of (1) the amount actually received therefor in case it has been sold or (2) the product of the number of pounds available for inspection and the price per pound determined by the adjuster to be a fair price for such tobacco.

This sum shall be adjusted, where applicable, in accordance with the instructions for item 7, column C, above.

Item 9: Columns A and C: Enter in column A the number of pounds of tobacco harvested from the insurance unit which has not been sold and in column C the fair market value thereof, adjusted, if applicable, in accordance with the instructions for item 7, column C, above.

- (3) If it becomes necessary in states where tobacco is not normally sold through auction warehouses, for the Corporation to obtain title to any tobacco in accordance with provisions contained in section 17(b) of the policy, special instructions will be issued for the handling of such cases.

Item 10: To the left of Column A: Enter in the spaces provided to the left of column A the acreage on the insurance unit on which unharvested tobacco remains in the field and the appraised yield of unharvested tobacco per acre.

Columns A and C: Enter in column A the product of the number of acres containing unharvested tobacco and the appraised yield per acre therefor, and in column C the appraised cash value thereof.

Verification of Computations: After all of the entries and computations have been made as provided above, they shall be rechecked for accuracy and for completeness.

4. Part III. Adjuster's Narrative Report

Part III shall be prepared each time an inspection of the insurance unit is made. The Director shall outline for the adjuster the information which the Director thinks the Corporation will need in the final determination of the loss, if any, and instruct the adjuster to enter in Part III whatever of that information is available.

Also, enter in Part III any causes of damage not included in Part I and the dates thereof. When any damage is due to an uninsured cause, enter a full explanation and set forth the extent of such damage, including the number of acres damaged and the appraised loss per acre due to such damage. A notation describing the condition of all the acreage of the insured crop on the farm which is not accounted for in Part I shall be included in Part III.

Where an inspection is made during the growing season, the adjuster shall determine whether the number of acres of the insured crop in all fields or tracts on the insurance unit approximates the reported acreage for the insurance unit as shown on Form 8. If, in his opinion, there is a substantial difference between the two figures, an explanation of why such difference exists shall be entered in Part III.

Part III should be complete enough for a person not familiar with the case to understand the case after reviewing Form 963.

Date and Signature: In the space provided above Part III, the adjuster shall sign Form 963 and enter the date on which the inspection is made. The signature of the insured should also be obtained unless it is impracticable to do so.

Distribution: Copies of Form 963 shall be distributed in accordance with Section V hereof.

SECTION II. ADJUSTMENT OF CLAIMS

A. General

1. Responsibilities of the Insured

- a. If a loss is probable the insured is required to submit notice of loss to the county office immediately after any material damage to the insured crop during the growing season.
- b. The insured is required to submit any notice of loss within 15 days after completion of sale or other disposal of the tobacco crop, or within 15 days after the date the market price of tobacco is available in the county, whichever is later. If the notice is not given within this 15-day period the Corporation reserves the right to reject any claim for indemnity. This provision is essential in order that inspections may be made while the facts can best be determined.

(In counties where tobacco is not sold through auction warehouses, supplemental instructions will be issued relative to the submission of notices of loss in cases where, after curing of the tobacco, a loss under the contract was sustained.)

- c. The insured shall submit a claim for loss within 60 days after the damage occurred in cases where all of the acreage on the insurance unit is released. In cases where the tobacco is harvested and is sold or otherwise disposed of, the claim for loss shall be submitted not more than 60 days after (1) the date upon which the last tobacco from the insurance unit was sold or otherwise disposed of, or (2) the date the loss can be determined in the county, whichever is later. However, in

no event may a claim for loss on harvested acreage (whether or not the tobacco crop has been disposed of) be approved when submitted later than the following applicable date:

<u>Date</u>	<u>Type of Tobacco</u>	<u>Date</u>	<u>Type of Tobacco</u>
February 28-----	11	April 15-----	31
January 31-----	12	April 15-----	35
November 30-----	13	May 31-----	41
November 30-----	14	March 31-----	51
March 31-----	21	March 31-----	52
May 15-----	22	May 31-----	54
May 15-----	23	May 31-----	55

- d. The insured shall use Form FCI-967-T, "Statement in Proof of Loss for Tobacco" (herein called Form 967-T) in submitting a claim for loss.
- e. The insured shall establish that the amount of loss for which claim is made has been directly caused by one or more of the hazards insured against by the contract during the term thereof, and that the loss has not arisen from or been caused by, either directly or indirectly, any of the hazards not insured against.

2. Responsibilities of the Adjuster

- a. In making each inspection in connection with a claim for loss, the adjuster shall determine from the date of the Form 8 whether the notice of loss was filed in the required period as set forth above. If it was not filed within this period the case shall be handled as provided in Section III. hereof.
- b. The adjuster shall not approve a Form 967-T until (1) he has inspected all fields or tracts in the unit, (2) he has determined the acreage planted to tobacco in the unit, (3) he has verified to his satisfaction the total production from the unit, (4) he has made any necessary appraisals of production, (5) he has determined that the loss is due to insurable causes, (6) he has determined the value of all production, (7) he has verified the coverage per acre established by the Corporation for the insurance unit, and (8) he has, where all acreage is released, determined that no tobacco may be harvested from the insurance unit.
- c. As provided in Section II of the State Office Procedure Manual - Actuarial, the adjuster shall prepare Form FCI-26, "Adjuster's Report" in connection with each Form 967 filed. The Form 26 shall be submitted to the state director with the related Form 967.

B. Method of Preparing Form 967

1. A separate Form 967 shall be prepared for each insurance unit on which a loss is claimed. Where the insured fails to keep the production for each insurance unit separate and fails to keep acceptable records of the production for each insurance unit and all the acreage from which production is commingled is insured, the case shall be handled in accordance with subsection D of this section. Where the insured fails to keep separate production records for any of the acreage to which insurance did not attach, including any unclassified acreage, the production from such acreage which is commingled with the production from the insured acreage shall be considered to have been produced on the insurance unit and the loss adjusted in the usual manner.

In the latter case set forth in the above paragraph, if the adjuster feels that the insurance with respect to the insurance unit should be voided, he shall attach a statement on Form FCI-6 setting forth the facts which he feels justify this action and his recommendation. In such case if the contract is voided, the insured will still be required to pay the current premium.

2. Where it appears that there will be no loss on the insurance unit or where the insured requests advice as to the approximate amount of indemnity he may expect to receive, the adjuster should perform the necessary computations on a scratch pad, using the instructions on the reverse side of Form 967, and advise the insured accordingly. If there is no loss, the adjuster should explain to the insured why there is no loss.
3. In all cases the insured shall be told that the required computations will be made by the Corporation and that his copy of Form 967 will be mailed to him after the audit is completed.

C. Preparation of Form 967 for Usual Cases

1. The instructions set forth in this subsection apply in all cases where (a) the insured has the same share in all the tobacco acreage on the insurance unit and (b) the same coverage per acre is applicable to the entire insurance unit, and (c) there has been no transfer of interest in the tobacco crop on the insurance unit. In all other cases Form 967 shall be prepared in accordance with subsection D of this section.

2. Form 967 shall be prepared as follows:

a. Heading

The spaces in the heading are self-explanatory with the following exceptions:

- (1) It is important that the name of the insured shall agree with that shown on the contract unless the name on the contract is incorrect. Where the names are not in agreement a full explanation should be entered on Form FCI-6 and attached to the related Form 967.
- (2) The insurance unit number must agree with the number shown on the acreage report.
- (3) In Coffee County, Georgia, in Barren and Fleming Counties, Kentucky, and in Johnson County, Tennessee, the name of the owner of land at the time of planting shall be entered in the space for "Name and location of farm."

b. Boxes

Boxes A, B, and C: To be completed only where it has been determined that the allotment for the farm has been knowingly overplanted. (See subsection D of this section.)

Box D: Enter the reported acreage of tobacco on the insurance unit as shown on the acreage report.

Box E: Enter the measured acreage planted to tobacco on the insurance unit (excluding any acreage on which no insurance has attached). This acreage shall be accurately determined by the adjuster unless acceptable records of measurement are on file in the county office. All possible use shall be made of permanent field acreages established under other agricultural programs and on file in the county office. Measuring equipment shall be checked for accuracy and corrected, where necessary, prior to its use.

Where applicable the adjuster shall notify the insured of the following:

- (1) If the measured acreage in the usual case is less than the reported acreage, the loss, if any, will be settled on the basis of the measured acreage and the premium adjusted accordingly;
- (2) If the measured acreage in the usual case exceeds the reported acreage, the loss which would otherwise be determined will be reduced proportionately.

Box F: Enter the number of the area in which the insurance unit is located on the county crop insurance map. (For counties in which the coverage is based on ownership of land, this entry shall be followed by a dash and the applicable coverage group number. In counties where coverage is based on ownership, submit statement of facts if Group No. is different than on 919-T(P), "Tobacco Crop Insurance Acreage Report (Planting Intention Report)".)

Where the same coverage per acre applies to all of the acreage of tobacco on an insurance unit but different premium rates are applicable to parts of this acreage enter above box F the acreage in each coverage and rate area followed by a dash (-) and the area number. For example: 4.0 - 1, and 2.0 - 2.

Box G: Enter the market price per pound of tobacco as established by the Corporation.

Box H: Enter the insured interest in the tobacco crop on the insurance unit, which shall be the smaller of (1) the reported interest in the crop as shown on the acreage report, or (2) the actual interest in the crop at the beginning of harvest or the time of loss whichever occurs first. This entry shall be shown as a percentage, rounded to the nearest tenth of a percent (e.g., 100%, 66.7%, 50%, etc.). Where the insured interest entered in box H is less than the reported interest shown on the acreage report a statement of facts explaining the discrepancy shall be prepared on Form FCI-6 which shall be dated and signed by the adjuster and attached.

c. Part I. Acreage

The following important points shall be kept in mind in preparing Part I:

1. In no case will there be an entry in both item 1 and item 2.
2. All acreage figures on Form 967 shall be shown in hundredths of acres.
3. The sum of the entries in item 1 or item 2, whichever is applicable, and item 3 must equal the measured acreage in box E.

Item 1: Enter the measured acreage of Type 41, 51, 52, 54, or 55 tobacco on the insurance unit on which the crop was destroyed or substantially destroyed before harvest of such acreage. (Source: Column C of Form 963.)

Item 2: Enter the measured acreage of Type 11, 12, 13, 14, 21, 22, 23, 31, or 35 tobacco on the insurance unit on which the crop was destroyed or substantially destroyed before the beginning of harvest on the insurance unit. (Source: Columns C and D of Form 963; i.e., the acreage in column C minus the acreage in column D.)

Item 3: Enter the measured acreage of tobacco on the insurance unit which is not included in item 1 or item 2. This entry should equal the result obtained by subtracting the entry in item 1 or item 2 from the entry in box E.

d. Part II. Actual and Appraised Production and Value Thereof

The following important points shall be kept in mind in preparing Part II:

- (1) The harvested production and the value thereof to be entered in items 4, 5, and 6 must include the total production of tobacco on the insurance unit for all persons sharing in the crop.
- (2) In making any necessary computations as outlined herein, round to whole pounds or cents following each computation.
- (3) In connection with any computation, rounding shall be performed as follows: Carry the computation one digit beyond the digit to be rounded. If the last digit is 5 or larger, round upward; if the last digit is 4 or smaller, disregard it.

Item 4:

Columns A and B: Enter in column A the total number of pounds of tobacco harvested from the insurance unit and sold on the warehouse floor, and enter in column B the actual cash returns from the sale of the tobacco or the appraised value (whichever is greater). (Source: Form 963, Part II, item 7, column A and C, and related instructions.)

Item 5:

Columns A and B: Enter in column A the total number of pounds of tobacco harvested from the insurance unit and sold other than on the warehouse floor, and enter in column B the fair market value of this tobacco. (Source: Form 963, Part II, item 8, columns A and C, and related instructions.)

Item 6:

Columns A and B: Enter in column A the total number of pounds of tobacco harvested from the insurance unit and not sold, and enter in column B the fair market value of this tobacco. (Source: Form 963, Part II, item 9, column A and C, and related instructions.)

If it becomes necessary in states where tobacco is not normally sold through auction warehouse for the Corporation to obtain title to any tobacco in accordance with the provisions contained in section 17(b) of the Policy, special instructions will be issued for handling such cases.

Item 7: "Acres" and "Appraised Yield Per Acre": Enter in the space provided to the left of column A: (1) the measured acreage, if any, on which unharvested tobacco remains in the field, and (2) the appraised yield per acre of unharvested tobacco. (Source: Form 963, Part II, item 10.)

Columns A and B: Enter in column A the appraised unharvested production (the product of the "acres" and the "appraised yield per acre") and enter in column B the appraised cash value thereof.

Item 8:

"Acres" and "Loss in yield per acre": Enter in the spaces provided to the left of column A: (1) the measured acreage of unharvested tobacco which is put to another use without the consent of the Corporation and (2) the appraised loss in yield per acre on such acreage, which shall not be less than (a) the coverage per acre for harvested acreage in the case of yield-quality insurance, or (b) the pound equivalent for harvested acreage in the case of investment insurance. The pound equivalent of coverage per acre will be obtained by dividing the coverage by the market price as determined by the Corporation.

Columns A and B: Enter in column A the appraised loss of production on the acreage put to another use without the consent of the Corporation (the product of the "acres" and the "loss in yield per acre"), and enter in column B the appraised cash value thereof, which shall be the product of the entry in column A and the entry in box G.

Item 9:

"Acres" and "Loss in yield per acre": Enter in the spaces provided to the left of column A: (1) the measured acreage of tobacco on which production has been reduced due to causes not insured against, and (2) the appraised loss in yield per acre on such acreage. To the left of the acreage(s) enter the uninsured cause(s) of loss for which the appraisal(s) are made.

The causes of loss not insured against include the following (but are not limited thereto);

- (1) Failure to follow recognized good farming practices, including but not limited to the use of unadapted varieties, failure properly to prepare the land for planting, or properly to plant, care for, or harvest (including unreasonable delay thereof) the tobacco crop;
- (2) Following different fertilizer or farming practices than those considered in establishing the coverage;
- (3) Planting tobacco on land which is generally considered incapable of producing a tobacco crop comparable to that produced on the land considered in establishing the coverage;
- (4) Planting tobacco under conditions of immediate hazard;
- (5) Breakdown of machinery or failure of equipment due to mechanical defects, or loss in yield caused by the neglect or malfeasance of the insured or any person in his household or employment or connected with the farm as tenant, sharecropper, or wage hand;
- (6) Theft, or by domestic animals, or by inability to obtain labor, seed, fertilizer, machinery repairs, or insect poisons;
- (7) Action of any person or state, county, or municipal government in the use of chemicals for the control of noxious weeds;
- (8) Any damage to the insured crop--such as pole burn, destruction by fire or hurricane--which occurs after the end of the insurance period as set forth in the Regulations is likewise not insured against and must be handled by the adjuster as an uninsured cause of damage.

Columns A and B: Enter in column A the appraised loss of production due to cause(s) not insured against (the product of the "acres" and the "loss in yield per acre") and enter in column B the appraised cash value thereof, which shall be the product of the entry in column A and the entry in box G.

e. Part V. Causes of Damage Insured Against

No uninsured cause of damage shall be entered in Part V. Each insured cause of damage shall be specifically stated, as provided below, and shall be entered on a separate line, unless there are more than three such causes.

Items 18, 19, and 20. Enter the primary (major), secondary, and other contributing insured causes of damage to the crop, together with the approximate date each cause of damage occurred and the estimated percent contribution of each such cause to the total loss on the insurance unit due to causes insured against. The entries in the column headed "Estimated percent contribution" should total 100 percent. The various insured causes of damage, which shall be used as a guide for uniformity, are listed below:

Lightning	Tornado
Drought	Windstorm
Hail	Rust or wildfire
Flood (overflow or back water)	Root Rot
Excessive moisture (rain or seepage)	Wilt
Frost, Freeze, Snow	Plant disease (excluding
Hot winds (including excessive heat)	rust, wildfire, root rot,
Hurricane	and wilt)
	Leaf Worm
	Insects (excluding leaf worm)

If any part of the loss is due to an act of a person(s), the adjuster shall prepare a statement of facts on Form FCI-6 setting forth the name of the person(s), if possible, and the amount of loss caused by such person(s). This statement shall be dated and signed by the adjuster and attached to Form 967.

f. Part VI. Certification

Item 21: By signing the Form 967 the insured agrees to the substitution of the Corporation as his attorney to exercise right of recovery against any person(s) for damage to the crop to the extent that payment for loss resulting from such damage is made to the insured by the Corporation. If applicable, the insured shall be advised of this fact and that he is not to make any settlement with, or execute a release to, such person(s).

Enter in the space provided, either "yes" or "no" to the question whether a collateral assignment is outstanding. If a Form FCI-20, "Collateral Assignment," approved by the Corporation, is on file in the county office, "yes" shall be entered unless the adjuster determines that the assignee has released the assignment in writing. In such cases the adjuster shall attach a signed statement to this effect to Form 967.

Where "yes" is entered, and the insured states that he wants the assignee to be paid separately to the extent of the amount of the assignment, a statement to this effect, signed by the insured, must accompany Form 967. If the statement provides for the issuance of a separate check to the insured and a separate check to the assignee for an amount less than that shown on the assignment, it must also be signed by the assignee. If no such statement is attached, a joint check will be issued.

In any case where the adjuster feels that difficulties would arise out of the issuance of a joint check he should make a reasonable effort to effect an agreement between the assignor and the assignee as provided above for the issuance of separate checks.

In all cases where the adjuster prepares Form 967 he shall review it and determine that all necessary entries have been made thereon before it is signed by the insured. After the form is signed by the insured, no person has authority to change or enter thereon any basic data. If after the form has been filed by the insured it is found that any of the basic data shown thereon are incorrect, the case shall be handled in accordance with the procedure set forth in Section III, Subsection A, hereof.

The insured shall sign and enter the date in the spaces provided in item 21. Before signing, he should be cautioned that his signature must agree with the name in the heading of Form 967 and, where applicable, with his signature on the contract. The signature must actually be affixed by the insured (or other eligible claimant) whose name appears in the heading of Form 967, or by his authorized representative.

Item 22: The adjuster shall not approve the Form 967 until all basic data have been entered thereon and until it has been signed by the insured.

If the signature is affixed in a representative capacity, the adjuster must determine that a power of attorney or other acceptable evidence is on file in the court house or in the county office authorizing the person to sign in the capacity in which he signs. If, after the insured has signed the form, the adjuster can certify to the statements in item 22, he shall sign and date the form in the spaces provided.

Item 23: This item is for the use of the State Director.

g. Box Designated "For Branch Office Use Only"

The adjuster shall make no entries in this box which will be used by the Corporation in notifying state and county offices of changes in the premium for the contract in each case where the measured acreage shown on Form 967 is less than the reported acreage, thus eliminating the preparation of "revised" acreage reports by the Corporation.

D. Preparation of Form 967 for Unusual Cases

1. Where the Insured has Different Shares in Parts of the Tobacco Crop on the Insurance Unit

A separate Form 967 shall be prepared for each acreage of tobacco on the insurance unit on which the insured has a different share. (For example: If the insured has 25 percent interest in 4 acres of tobacco and 50 percent interest in 2 acres of tobacco on the same insurance unit, one Form 967 shall be prepared for the 4 acres and another Form 967 shall be prepared for the 2 acres.) After the "supplemental" forms have been prepared, the entries thereon shall be summarized and entered on a "master" Form 967.

a. "Supplemental" Forms

The word "supplemental" shall be entered immediately above the title on each of these forms. Each "supplemental" Form 967 shall be prepared in the usual manner for the acreage covered by the "supplemental" form, except that no entry shall be made beyond Part II.

b. "Master" Form

Prepare the "master" Form 967 as follows:

- (1) Complete the heading in the usual manner, and enter "master" immediately above the heading of the form.
- (2) Complete the boxes in the usual manner, except that "varying" is to be entered in box H.

(3) Parts I and II:

To obtain each of these items for the "master" form, add the entries appearing on the "supplemental" forms for that item and enter the sum thereof on the "master" form, except that no entries shall be made in the spaces provided for appraisal per acre to the left of column A in Part II.

- (4) It will not be necessary for each "supplemental" form to be signed, unless the "master" form is not signed.

2. Where Different Coverages Have Been Established for Parts of the Insurance Unit

A separate Form 967 shall be prepared for the acreage of tobacco on each part of the insurance unit for which a different coverage per

acre has been established. (For example: If a coverage of 600 pounds has been established for one tract and a coverage of 800 pounds has been established for another tract on the same insurance unit and there is an acreage of tobacco on each of the tracts, one Form 967 shall be prepared for the acreage on the tract with a 600-pound coverage and another Form 967 shall be prepared for the acreage on the tract with an 800-pound coverage.) However, if the insured has different shares in parts of the tobacco acreage on either tract, a separate Form 967 shall be prepared for each acreage of tobacco in which the insured has a different share, rather than one Form 967 for the tract. After the "supplemental" forms have been prepared, the entries thereon shall be summarized and entered on a "master" Form 967 which shall be identified by entering the word "master" immediately above the title.

These "supplemental" forms and the "master" form shall be prepared as set forth in subsection D. 1. above, except that (1) the word "varying" shall be entered in box F on the "master" form and (2) the actual share shall be entered in box H of the "master" form where the insured has the same share in all of the tobacco on the insurance unit.

3. Where there has been a Transfer of Interest in the Insured Crop on the Insurance Unit

The contract provides that in the event of a transfer of interest, the Corporation shall not be liable for a greater indemnity than would have been paid had the transfer not taken place. Any loss claim filed by a transferee shall be filed under the contract number of the transferor. Transfers shall be handled in accordance with the applicable of paragraphs a, b, or c, below, except that where a Form FCI-21-Revised, "Transfer of Interest, has not been approved by the Corporation, the transferee shall not be permitted to sign Form 967.

a. Transfer of All or a Part of the Insured Interest in All of the Insured Acreage on the Insurance Unit

Prepare Form 967 in the usual manner, except that the name of the insured and the insured interest (box H) shall be determined on the basis of the insured interest of the original insured and the information shown on Form FCI-21-Revised, "Transfer of Interest."

b. Transfer of All the Insured Interest in a Part of the Insured Acreage on the Insurance Unit

(1) If neither paragraph 1 nor paragraph 2 of this subsection applies and only one transfer has been made:

- (a) Draw a vertical line through the center of all the columns.
 - (b) To the left of the vertical line enter the data for the entire insurance unit.
 - (c) To the right of the vertical line enter the data for one of the following: (1) If the transferee is submitting the claim, enter the data for the acreage transferred, or (2) if the transferor is submitting the claim, enter the data for the acreage not transferred.
 - (d) Otherwise prepare the Form 967 in the usual manner.
- (2) If neither paragraph 1 nor paragraph 2 of this subsection applies, and two or more transfers have been made:
- (a) Prepare a Form 967 for each individual (transferor and transferee) who has an insured interest under the contract at the time of loss. These forms shall be prepared in the usual manner except that the words "Transfer of Interest - data for part of insurance unit," shall be entered above the title.
 - (b) Prepare a Form 967 covering the entire insurance unit. The words "Transfer of Interest - data for entire insurance unit" shall be entered above the title of the form. It should be prepared as if no transfer of interest had taken place and should be completed only through Part II.
 - (c) All Forms 967 prepared for the parts of the insurance unit as well as the one prepared for the entire insurance unit shall be submitted together to the Director.
- c. Where there is a Transfer of Part of the Insured Interest in a Part of the Insured Acreage on the Insurance Unit, or where there is One or More Transfers and Paragraph 1 or Paragraph 2 of this subsection Applies to the Original Insured
- (1) Prepare a Form 967 for the transferor where applicable and each transferee (and where applicable for each acreage of the insured

crop on the insurance unit on which each such person has a different share or for which a different coverage per acre has been established) who has an insured interest under the contract at the time of loss. These forms shall be prepared in the usual manner except that the words "Transfer of interest - data for part of insurance unit" shall be entered above the title.

- (2) If more than one Form 967 is prepared for the same insured, a master Form 967 shall be prepared consolidating such data.
- (3) Prepare a Form 967 covering the entire insurance unit. The words "Transfer of interest - data for entire insurance unit" shall be entered above the title of the form. It should be prepared as if no transfer of interest had taken place and should be completed only through Part II.
- (4) All Forms 967 required under this paragraph c shall be submitted together to the State Director.

4. Where All or a Part of the Insurance Unit is on a Farm Where the Allotment has been Knowingly Overplanted

If it is determined by the committee that the allotment for any such farm(s) was knowingly overplanted, the instructions set forth below shall be followed.

a. Where All of the Insurance Unit is Located on One Farm

Prepare Form 967 in the usual manner except that box A, box B, and box C shall be completed as follows:

(1) Box A:

Enter the 1949 tobacco acreage allotment established for the entire farm for the type of tobacco covered by the Form 967.

(2) Box B:

Enter the measured acreage of the type of tobacco covered by Form 967 which was planted on the entire farm in 1949.

(3) Box C:

Determine and enter the insured acreage for the insurance unit as follows: Divide the allotment for the farm (box A) by the planted acreage for the farm (box B) carrying the result to three decimal places; (i.e., .921). Multiply the factor thus obtained by the entry in box E, and enter in box C the smaller of (a) the result thus obtained or (b) the entry in box D.

b. Where Parts of the Insurance Unit are Located on Two or More Farms

(1) Prepare a Form 967 for:

- (a) The insured acreage on each such farm which is determined

to be knowingly overplanted. The notation "Supplemental - portion overplanted" shall be entered immediately above the title on each such form. These forms shall be prepared in the usual manner, except that boxes A, B, and C shall be completed as set forth in paragraph 4. a. of this subsection.

- (b) The insured acreage on the remainder of the insurance. The notation "Supplemental - portion not overplanted" shall be entered immediately above the title on this form, and the form shall be prepared in the usual manner except that the smaller of the entries in boxes D and E shall be entered in box C.

- (2) Prepare a Form 967 for the entire insurance unit. The notation "Master - overplanted" shall be entered immediately above the title on this form, and the form shall be prepared as follows:

- (a) Heading

Complete the heading in the usual manner (see subsection C of this section).

- (b) Boxes

Boxes A and B: Make no entries in these spaces.

Box C: Add the entries appearing on all the supplemental forms for box C and enter the sum thereof in box C on the "master - overplanted" form.

Boxes D through H: Complete in the usual manner.

- (c) Parts I and II:

To obtain each of those items for the "master-overplanted" form, add the entries appearing on all the supplemental forms for that item and enter the sum thereof on the "master-overplanted" form except that no entries shall be made in the spaces provided for appraisal per acre to the left of column A in Part II.

- (d) Complete the "master-overplanted" form in accordance with instructions in subsection C of this section. It will not be necessary for each supplemental form to be signed by the insured unless the "master-overplanted" form is not signed.

5. Where the Insured Commingles Production from Two or More Insurance Units and Fails to Maintain Acceptable Records of Production for each Insurance Unit and All the Acreage from which Production is Commingled is Insured

- a. Prepare Form(s) 967 for each insurance unit in accordance with subsection C of this section, or paragraphs 1, 2, 3, or 4 of this subsection, whichever is applicable, except as follows:

- (1) In addition to any identification of the form as required above, enter the words "Part of a combination" immediately above the title on each of these forms.
 - (2) The smaller of the entries in boxes D and E of the Form 967 for the insurance unit shall be entered in box C.
 - (3) Enter the word "Commingled" in column A of items 4, 5, and 6, where applicable, on each of those forms.
- b. Prepare a Form 967 consolidating the data for all of the insurance units in accordance with paragraph 1, 2, 3, or 4 of this subsection, whichever is applicable, except as follows:
- (1) Enter the words "Master - Combination" immediately above the title on this form.
 - (2) The identification of all insurance units involved shall be entered in the space provided.
 - (3) Enter in box C the sum of the insured acreages for all the insurance units involved.
 - (4) Enter in column A of items 4, 5, or 6, as applicable, all of the production from all of the insurance units involved.

E. Other Unusual Cases

If a case arises which because of some special circumstance is meritorious but which is not specifically covered by this procedure, or if the application of this procedure results in an undue hardship on the insured, the case should be submitted in accordance with General Procedure 4.

F. Cases Where Insured and Adjuster Cannot Agree

If the insured and the adjuster cannot agree on the basis of settlement of a loss claim the case shall be referred to the supervisor. If the insured and the supervisor cannot agree, two Forms 967 shall be prepared, one showing the data submitted by the insured and signed only by him, and the other showing the data determined by the supervisor and signed only by him. The supervisor shall submit both forms to the Director in accordance with General Procedure 4. If the insured does not file his Form 967 at that time he shall be notified by the supervisor that Form 967 must be filed not later than 60 days after the time of loss. Every effort should be made to handle those cases as promptly and speedily as possible.

SECTION III. SUSPENDED, CORRECTED OR DELAYED LOSS CLAIMS

A. Corrected Forms 967

If, after a Form 967 has been filed by the insured it is found that the basic data thereon are incorrect because of a bona fide error on the part of the insured or the adjuster, a corrected Form 967 (plainly marked "corrected" in the heading thereof) shall be prepared and signed both by the insured and the adjuster. (However, unless the correction would change the indemnity as much as \$5.00, a "corrected" Form 967 may not be approved by the Director.)

In addition, the adjuster shall prepare Form FCI-6 fully explaining how the error occurred and including all facts pertinent to the case. The Form FCI-6 shall be attached to the "corrected" Form 967 and transmitted promptly to the Director, together with the Form 967 originally filed by the insured, if such form has not already been transmitted. In no case shall the Form 967 originally filed by the insured be destroyed.

If after a Form 967 has been filed by the insured it is found that the basic data thereon are incorrect and it appears that the insured may have acted in bad faith by concealing some material fact, the adjuster shall prepare a Form FCI-6 setting forth all pertinent facts regarding the case. This Form FCI-6 shall be transmitted promptly to the Director. If the insured wishes to file a "corrected" Form 967 in such cases, the adjuster shall not sign such form but shall attach thereto the Form FCI-6. The Form 967 originally filed by the insured shall of course be transmitted promptly to the Director in all cases, if such form has not already been transmitted.

It will not be necessary to prepare a "corrected" Form 967 if the basic data on the original form is correct and settlement has been made in a lesser amount than the correct indemnity and the insured is requesting the additional amount.

B. Delayed Notice of Loss

In any case where a notice of loss is filed more than 15 days after completion of sale or other disposal of the tobacco crop, or more than 15 days after the market price became available in the county, whichever is later, the adjustment shall be handled in the following manner:

1. If this notice was given more than 15 days after the applicable date determined above but in sufficient time that a Statement in Proof of Loss could be filed within 60 days after such date and not later than the final date set forth in the policy for filing loss claims in the county, the insured shall be informed of the requirements of the contract set forth above for giving notice of loss immediately after the completion of sale or other disposal of the crop. The adjuster shall request the insured to submit along with the Statement in Proof of Loss, if one is submitted, a statement showing the reasons for the delay in filing a notice of loss at the county office. In these cases, the adjuster shall submit a statement, on Form FCI-6, showing (a) whether the adjuster was able to accurately determine the actual acreage, (b) the method used in determining the actual production and per acre appraisals, (c) the method used in determining the value of all production, (d) whether the adjuster is entirely satisfied that all production was accounted for, (e) whether the adjuster feels certain that he is able to ascertain the extent of any uninsurable cause of loss and the method of making per acre appraisals for such causes, (f) in what respect the evidence with regard to acreage and production is or is not as satisfactory as it would have been if the notice had been submitted within 15 days, and (g) any other facts which the adjuster considers pertinent to the case.

- 2; Where it is evident when the adjuster receives Form 8 that it will not be possible for the insured to submit the Statement in Proof of Loss within the time limit set forth in paragraph (1) above, he should act under existing instructions from the State Director in such cases or request instructions from the State Director as to whether he should make an inspection.

Where it is not evident at the time the adjuster receives the Form 8 that it is too late for the insured to file a Statement in Proof of Loss within the time limit set forth in paragraph (1) above, but he finds upon inspection that the notice was given too late to permit the inspection to be made and the Statement in Proof of Loss to be filed within this period, the adjuster shall make the inspection, prepare the inspection report and obtain from the insured a written statement as to the reasons for the delay in filing the notice of loss, and submit the case to the State Director for consideration without preparing a Statement in Proof of Loss. However, if the insured insists upon filing a Statement in Proof of Loss in cases of this kind, he should be permitted to do so but he should be informed of the 15-day provision for reporting loss to the county office and the time limit set forth in paragraph (1.) above for filing Statements in Proof of Loss, but the adjuster should not sign these Statements in Proof of Loss indicating his approval.

C. Delayed Forms 967

The contract contains a provision requiring the insured to submit a Statement in Proof of Loss not later than a specified date, depending on the type of tobacco involved, unless the time for submitting the claim is extended in writing by the Corporation. An extension of this time limit will not be made except in the most meritorious cases. Where a Statement in Proof of Loss is submitted more than 60 days after the completion of sale or other disposal of the tobacco crop or more than 60 days after the amount of loss can be determined in the county or later than the final date set forth in the policy for filing loss claims in the county, the adjuster shall request the insured to submit along with the Statement in Proof of Loss a statement showing the reasons for the delay in order that a determination may be made as to whether the extension is to be granted. In these cases the adjuster shall submit a statement on Form FCI-6 giving all of the information requested in subsection B. 2. of this section.

SECTION IV. SETTLEMENT OF LOSS CLAIMS

The adjuster shall advise the insured that any claim for indemnity submitted in accordance with the Regulations and applicable procedures will be paid by the issuance of a check by the Corporation payable to and mailed to the person(s) entitled to such payment under the Regulations.

SECTION V. DISTRIBUTION OF FORMS

The following distribution shall be made of the forms used in this procedure:

A. Form FCI-963

The state office copy shall be forwarded to the Director.

The insured's copy shall be given to the insured at the completion of the inspection.

The county office copy shall be filed in the insured's crop insurance folder on file in the county office.

B. Form FCI-967

The adjuster shall forward daily all copies of Form 967, including the insured's copy, to the Director.

After a review thereof has been made by the Corporation, the insured's copy will be mailed to him, the state office copy will be filed in the related folder, and the county office copy will be forwarded to the county office for filing in the insured's crop insurance folder after any necessary corrections in the premium as are indicated at the bottom of Form 967 are made on county office records of the insured's premium account.

C. Form FCI-6

All copies of any statement(s) of facts prepared as provided in this procedure shall be forwarded to the Director with the related forms.

D. Form FCI-26, "Adjuster's Report"

Form FCI-26 shall be prepared immediately after the loss adjustment is completed, and forwarded to the Director with the related forms.

E. Form FCI-15, "Transmittal Sheet"

Form FCI-15 will be prepared by the Director. The branch office copy shall be forwarded to the branch office together with all copies of Form 967 and attachments unless the Director is instructed otherwise. The county office copy shall be forwarded to the county office. The state office copy shall be retained and filed in the state office.

